



**Date:** December 21, 2015

**To:** Thomas J. Bonfield, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Reginald J. Johnson, Director  
Department of Community Development  
**Subject:** FY 2015-2016 Emergency Solutions Grant and City General Funds  
Housing for New Hope, Inc. Subrecipient Contract  
Rapid Re-Housing Services

**Executive Summary**

On December 17, 2014 the City of Durham Department of Community Development held an application workshop for vendors interested in applying for 2015-16 Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), Emergency Solutions grant (ESG) and City General Funds. The deadline for receiving applications for the 2014-15 funds was Thursday January 29, 2015. A single application from Housing for New Hope Inc. (HNH) was received for the portion of the ESG (\$109,554) and General Funds (\$200,000) set aside for Rapid Rehousing. On April 20, 2015, City Council approved the FY 2015-2016 Annual Action Plan for the City of Durham.

**Recommendation**

The Department of Community Development (DCD) recommends that the City Council authorize the expenditure of \$109,554.00 in Emergency Solutions Grant funds and \$200,000.00 in City General funds and authorizes the City Manager to execute a contract with Housing for New Hope, Inc. in the amount of \$309,554.00 to provide rapid rehousing to households experiencing homelessness using the following MUNIS codes:

<u>Funding Source</u>	<u>MUNIS Codes</u>	<u>Amount</u>
HESG	1830D016-728600-D16RH	\$109,554
DFS	1940D014-728600-DFSH1	\$200,000

**Background**

In 2009, President Obama signed the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. The HEARTH Act has shifted the response to homelessness from one that simply manages the issue at the program level to one that prevents and ends homelessness at the system level. As a result, Rapid Rehousing (RRH) has been identified as a program model that is both cost effective and efficient at ending homelessness. The City of Durham initially implemented RRH in 2009 through stimulus funding from the Homeless Prevention and Rapid Rehousing Program (HPRP). Housing for New Hope was the subrecipient for the HPRP funding implementing Durham’s first RRH model. As a result of the success of HPRP nationally, the Department of Housing and Urban

Development (HUD) revised regulations for its ESG program requiring funding for the RRH program type for a minimum portion of the total funding.

### **Issues/Analysis**

Housing for New Hope was the sole service provider responding through the 2015-16 City ESG application process to implement RRH. HNH has demonstrated experience and capacity to implement RRH.

In addition, administration of the HNH Rapid Rehousing contract aligns with Goal #3 of the City Strategic Plan in that it ensures citizens an opportunity to enter safe, affordable, and healthy housing. The administration of the contract also aligns with Goal #4 of the City Strategic Plan as it promotes strong financial management and benchmarking for results in terms of program outputs and outcomes

### **Alternatives**

One alternative to contracting with the HNH is rejecting their application and seeking another agency to provide rapid re-housing assistance. However, since HNH was the sole respondent to the application process, rejecting the proposal of a qualified respondent may make the search for another organization even more difficult. In addition, addressing homelessness is one of the City's priorities.

### **Financial Impacts**

ESG and the City General funds are budgeted and available for this project.

### **SDBE Summary**

SDBE requirements are not applicable.